Atlantic Canada Opportunities Agency

Agence de promotion économique du Canada atlantique

Atlantic Canada Opportunities Agency

2014-15

Departmental Performance Report

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

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Table of Contents

Ministers' Message 1

Section I: Organizational Expenditure Overview 3
- Organizational Profile 3
- Organizational Context 4
- Actual Expenditures 15
- Alignment of Spending With the Whole-of-Government Framework 16
- Departmental Spending Trend 17
- Expenditures by Vote 17

Section II: Analysis of Programs by Strategic Outcome 19
- Strategic Outcome: A competitive Atlantic Canadian economy 19
- Program 1.1: Enterprise Development 20
- Sub-program 1.1.1: Innovation and Commercialization 22
- Sub-program 1.1.2: Productivity and Growth 24
- Sub-program 1.1.3: International Business Development 26
- Program 1.2: Community Development 28
- Sub-program 1.2.1: Community Investment 30
- Sub-program 1.2.2: Community-based Business Development 32
- Program 1.3: Policy, Advocacy and Coordination 34
- Sub-program 1.3.1: Policy 36
- Sub-program 1.3.2: Advocacy 38
- Sub-program 1.3.3: Coordination 40
- Internal Services 42

Section III: Supplementary Information 45
- Financial Statements Highlights 45
- Financial Statements 46
- Supplementary Information Tables 47
- Tax Expenditures and Evaluations 47

Section IV: Organizational Contact Information 49

Appendix: Definitions 51

Endnotes 55

Ministers' Message

We are pleased to report on the Atlantic Canada Opportunities Agency's (ACOA) key activities in 2014-15.

Our overarching goals within the Innovation, Science and Economic Development portfolio are to help Canadian businesses grow, innovate and export so that they can spur economic development and create good quality jobs and wealth for Canadians in all regions across the country; to help small businesses grow through trade and innovation; to promote increased tourism to Canada; to promote and support scientific research and the integration of scientific considerations in our investment and policy choices. We are committed to working closely with colleagues and stakeholders from all of these diverse fields to achieve these objectives.

We are pleased to present the 2014-15 Departmental Performance Report for ACOA.

The Honourable Navdeep Bains
Minister of Innovation, Science and Economic Development

The Honourable Kirsty Duncan
Minister of Science

The Honourable Bardish Chagger
Minister of Small Business and Tourism

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister:
The Honourable Navdeep Bains, PC, MP

- The Honourable Bernard Valcourt, PC, QC, MP (responsible Minister for 2014-15)
- The Honourable Rob Moore, PC, MP (responsible Minister of State for 2014-15)

Institutional Head:
Mr. Paul J. LeBlanc, President

Ministerial Portfolio:
Atlantic Canada Opportunities Agency

Year of Incorporation:
1987

Enabling Instrument:
Part I of the *Government Organization Act, Atlantic Canada 1987*, R.S.C, 1985, c. 41 (4th Supp.), also known as the *Atlantic Canada Opportunities Agency Act*.
See the Department of Justice Canada website for more information.

Organizational Context

Raison d'être

Established in 1987 (Part I of the *Government Organization Act, Atlantic Canada 1987*, R.S.C., 1985, c.41 (4th Supp.), also known as the *Atlantic Canada Opportunities Agency Act*), the Atlantic Canada Opportunities Agency (ACOA) is the federal department responsible for the Government of Canada's economic development efforts in the provinces of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador.

The Minister of Innovation, Science and Economic Development is responsible for this organization.

ACOA works to create opportunities for economic growth in Atlantic Canada by helping businesses become more competitive, innovative and productive, by working with diverse communities to develop and diversify local economies, and by championing the strengths of Atlantic Canada. Together with Atlantic Canadians, ACOA is building a stronger economy.

Responsibilities

ACOA plays an important role in developing and supporting policies and programs that strengthen the region's economy. Its responsibilities are stated in the Agency's legislation, which mandates the organization "to increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region."[i] Although the Agency's policies and program tools have evolved since its inception, the overall goal remains constant. ACOA is dedicated to helping the Atlantic region realize its full economic potential in terms of productivity, innovation, competitiveness and growth. This is achieved by addressing structural changes in the economy, helping communities and businesses to overcome challenges, and capitalizing on opportunities. ACOA is committed to helping the region build its capacity and make the transition to a stronger economy.

The Agency provides services through its head office in Moncton, N.B., and throughout the four Atlantic provinces, with a regional office located in each of the four provincial capitals and 23 local field offices. Through its Ottawa office, ACOA ensures that Atlantic Canada's interests are understood and reflected in the policies and programs developed by other departments and agencies of the federal government.

Strategic Outcome and Program Alignment Architecture

ACOA's strategic outcome – a competitive Atlantic Canadian economy – and its program alignment architecture (PAA) can be found below. The PAA is based on the results of policy research and analysis, the periodic assessment of program relevance and performance, ongoing dialogue with stakeholders in the region, and the priorities and directions of the Government of Canada.

1. **Strategic Outcome:** A competitive Atlantic Canadian economy
    - **1.1 Program:** Enterprise Development
        - **1.1.1 Sub-Program:** Innovation and Commercialization
        - **1.1.2 Sub-Program:** Productivity and Growth
        - **1.1.3 Sub-Program:** International Business Development
    - **1.2 Program:** Community Development
        - **1.2.1 Sub-Program:** Community Investment
        - **1.2.2 Sub-Program:** Community-based Business Development
    - **1.3 Program:** Policy, Advocacy and Coordination
        - **1.3.1 Sub-Program:** Policy
        - **1.3.2 Sub-Program:** Advocacy
        - **1.3.3 Sub-Program:** Coordination

Internal Services

Organizational Priorities

All organizational priorities support the Agency's strategic outcome: a competitive Atlantic Canadian economy. This outcome reflects the Agency's legislative purpose to enhance the growth of earned incomes and employment opportunities and to advocate on behalf of Atlantic Canada, affecting national policy.

Priority 1	Type[ii]	Program
Focus ACOA's programs and services on initiatives that encourage Atlantic Canadian businesses to become more **innovative, productive and competitive** in the global marketplace.	Ongoing	Enterprise Development, with support from Community Development and Policy, Advocacy and Coordination

Summary of Progress

What progress has been made toward this priority?

In 2014-15, ACOA reviewed its innovation programming in order to remain at the forefront of business innovation policy while enabling the region to best respond to strategic opportunities for growth. This led to the announcement in July 2014 of a streamlined application process for Agency programs and a more responsive Atlantic Innovation Fund.

The Agency also completed an evaluation of the Innovation and Commercialization sub-program. It demonstrated a continued need for this sub-program and confirmed its alignment with federal roles and responsibilities. The sub-program stimulated investments in applied research and development (R&D) and commercialization activities, generated employment, facilitated skills development for students, helped develop partnerships and alliances, and led to the creation of new technologies, products, processes and services.

Throughout the year, ACOA supported a broad range of projects to enhance the competitiveness and productivity of businesses, leading to improved growth and increased wealth, thus ensuring dynamic and sustainable communities in Atlantic Canada.

- The Agency approved $48.9 million toward 158 innovation and commercialization projects, including amendments to projects approved in prior fiscal years. This allowed ACOA to help small and medium-sized enterprises (SMEs) maximize their growth potential by developing new technologies and improving processes. Examples include:
    - making a $10 million investment through the Atlantic Innovation Fund in early intervention of the spruce budworm infestation using new techniques to prevent its spread, thereby helping protect the wood supply so crucial to numerous businesses in New Brunswick;
    - investing in the establishment of a new Centre for Engineering Design and Industry Partnerships (CEDIP) in the new School of Sustainable Design Engineering at the University of Prince Edward Island. The CEDIP will include an industry collaboration centre, a fab lab (a collaborative workspace with computer-controlled tools to bring ideas to fruition and build prototypes), four Research Centres of Excellence laboratories and four industry-driven clinic projects to address challenges facing Atlantic Canadian SMEs.
- The Agency approved a further $74.1 million in 600 projects that contributed to the productivity and growth of SMEs in Atlantic Canada, including projects related to technology acquisition, expansion and modernization, domestic marketing, productivity and business skills, and business support.

Examples include:

- helping the Entrepreneurs Forum deliver 59 advisory sessions to entrepreneurs across the region, giving them an opportunity to discuss their challenges with business professionals and successful entrepreneurs;
- supporting the Atlantic Venture Forum, held in Halifax, N.S., where Atlantic Canadian companies in the start-up information technology, clean technology and life sciences sectors were showcased. This event, in its second year, has become a fixture on the calendars of the tech start-up, angel investors and venture capital communities by offering insight into key issues, providing premium networking opportunities and giving companies, most of them ACOA clients, a chance to learn from world-class professionals in the investment community;
- supporting rural manufacturing in Newfoundland and Labrador with the approval of a $500,000 loan to Superior Glove Works Ltd. to purchase specialized equipment and technologies to increase production capacity and enhance global competitiveness at its glove manufacturing facility in Point Leamington.

- ACOA displayed leadership in assisting businesses to expand into the global marketplace by approving $14.8 million in 158 international business development activities, including support for an Atlantic Canadian delegation of 21 companies, universities and research organizations to attend the BIO 2014 International Convention held in San Diego, Calif. Delegates participated in over 125 prescheduled meetings, with initial results showing immediate sales of $1.9 million and anticipated sales of $5.2 million.
- ACOA worked with Statistics Canada to produce an enhanced Survey of Innovation and Business Financing, thereby broadening the understanding of Atlantic Canada firms' business strategies, innovation activities and involvement in global value chains.
- ACOA worked with other government partners and industry stakeholders to identify opportunities to enhance market access for SMEs in order to maximize the benefits of recent and upcoming trade agreements, and it continued to support activities aimed at helping SMEs capitalize on procurement and development opportunities in the region related to shipbuilding.

Priority 2	Type	Program
Develop and implement strategies, in response to the distinct economic needs and opportunities of Atlantic Canadian communities, with a particular **focus on rural businesses**.	Ongoing	Community Development, with support from Enterprise Development and Policy, Advocacy and Coordination

Summary of Progress

What progress has been made toward this priority?

In 2014-15, ACOA worked closely with numerous stakeholders to identify and develop key initiatives to strengthen and enhance the economic foundation and the sustainability of communities throughout Atlantic Canada.

- ACOA continued to work closely with various partners to address the needs of communities, especially in rural areas, that are vulnerable to the out-migration of skilled workers and an aging population. For example, ACOA supported an initiative with educational institutions in New Brunswick to attract international students to the province, which is important in ensuring the continued availability of skilled labour required to sustain economic growth.
- Community Business Development Corporations continued to invest capital in rural businesses and to offer business counselling and skills development training; investments resulted in over 1,400 new jobs created in rural communities of Atlantic Canada.
- The Agency assisted in addressing the challenges faced by tourism and other resource sectors that are seeing fluctuations in the global market and helped prepare strategies to grow those sectors.
    - Through the Atlantic Canada Tourism Partnership (ACTP), the Agency helped intensify the Atlantic region's international tourism marketing efforts by generating efficiencies at the consumer, travel-trade and media-relations levels. Deemed a best practice in marketing partnerships, the ACTP enables the Government of Canada, the four Atlantic Provinces and the tourism industry to pool resources and penetrate markets that are largely inaccessible individually.
    - ACOA worked with the Municipality of the District of Argyle and the Société touristique Bon Temps in Nova Scotia to develop an astro-tourism industry aimed at economic development and diversification. This project hopes to achieve the UNESCO-supported Starlight Tourism Destination and Starlight Reserve designations for an area to be known as the Acadian Skies and Mi'kmaq Lands.
    - The Agency supported and enhanced the celebration of the 150th Anniversary of the Charlottetown Conference and enabled this important milestone for the provincial economy. ACOA provided infrastructure support for the Confederation Centre of the Arts and the Celebration Zone at the Confederation Landing Park and supported PEI 2014 Inc.'s marketing efforts to increase visitation from the province's primary tourism markets.
- ACOA continued to serve the Atlantic region's francophone official language minority community by working with Heritage Canada and 13 other federal departments to deliver the Economic Development Initiative under the Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities.
- The Agency continued to work with various indigenous parties, including the Atlantic Policy Congress of First Nations Chiefs Secretariat, to enhance entrepreneurial opportunities and capacity within indigenous communities as it relates to economic development.

- ACOA worked with researchers to assess the needs of rural areas and projects that generate economic benefit and wealth in these areas. For example, research on tidal energy[iii] showed the potential for significant economic benefits from this new industry in rural areas.
- The Agency supported businesses and communities in developing the capacity to generate specific opportunities for wealth creation, particularly in rural areas.
    - The Agency worked with the Town of Channel-Port Aux Basques, the government of Newfoundland and Labrador, the private sector and Marine Atlantic to improve the downtown business district in the Town of Channel-Port Aux Basques, N.L. This investment, phase one of an award-winning master plan, will see investments in signage, street lighting, sidewalks and façade guidelines for local businesses.
    - ACOA supported the Cornwallis Park Development Association to undertake building and information technology upgrades to leverage new economic opportunities in the Annapolis and Digby counties of Nova Scotia, providing key community infrastructure and transforming an underutilized building into an economic development asset suitable for private sector tenants at Cornwallis Park.
    - The Agency provided funding for the development of a barge terminal facility in Saint John, N.B., to accommodate the export of large components through the construction of an access road, a lay-down area and a wharf bulkhead to provide access from the Spruce Lake Industrial Park to the shores of the Bay of Fundy, thereby increasing regional companies' competitiveness and growth opportunities in the fabrication sector.
    - It also supported the Souris Harbour Authority Inc. to repurpose and retrofit a vacant former seafood processing facility in Souris, P.E.I., for use as a multi-purpose, multi-tenant facility creating new jobs and building capacity in the region. This ensured the sustainability and growth of a small rural community by stimulating development through targeted investments in infrastructure which supports diversification in a region identified as requiring special measures.

Priority 3	Type	Program
Provide leadership through coordination, engagement and advocacy with business, government and other stakeholders throughout the region and with key decision-makers in Ottawa so that businesses are able to **capitalize on emerging opportunities** and address key challenges.	Previously committed to	Policy, Advocacy and Coordination, with support from Enterprise Development and Community Development

Summary of Progress

What progress has been made toward this priority?

In 2014-15, ACOA conducted rigorous analysis and research to ensure the Atlantic region's economy capitalized on opportunities. ACOA built engagement and developed strategies to address opportunities and challenges in areas such as innovation, community development and the energy sector, including clean energy, major projects, international business development, local infrastructure, resource sectors and key growth sectors such as aerospace and defence. Examples include:

- Research was initiated to examine the evolving competitive position of the region's manufacturing sector and to provide greater context of the European Union market, including opportunities and challenges for Atlantic firms.
- An evaluation of the Atlantic Policy Research Initiative indicated that this program is relevant. There is an ongoing need for policy research funding to address critical gaps in knowledge about the future of economic development in Atlantic Canada. ACOA plays a key role in supporting the development of economic policy research and networking opportunities in this region as well as in mobilizing knowledge for decision-makers.
- Through continued advocacy, ACOA maintained strong relationships with central agencies and other departments in the federal policy environment to ensure appropriate reflection in specific files of national and regional interest. It supported its president in deputy-minister-level meetings and on Government of Canada economic and social priority files; and it participated in various tiger teams to further develop concepts and initiatives such as the following.
    - As a participant in Industry Canada's Tiger Team, ACOA identified and documented a number of successful strategies that SMEs have used to penetrate global value chains. As a result of this exercise, ACOA's evidence-based analysis of Atlantic case studies fed into the policy development process of other departments.
    - ACOA worked with other federal departments to advance an initiative to help counter a pending spruce budworm infestation that threatens Atlantic Canada's forests and the forestry industry, through the development of an innovative biologically-based pesticide.
    - ACOA promoted opportunities on upcoming defence procurements through the engagement of more than 350 Atlantic SME participants from all four provinces in various initiatives strategically aimed at readying, educating and pre-positioning them.
    - The Agency facilitated over 250 direct business-to-business meetings between Atlantic industry and prime contractors to explore specific direct and indirect industrial benefit opportunities on procurements.
    - ACOA helped regional SMEs position themselves to take advantage of upcoming opportunities related to the National Shipbuilding Procurement Strategy. In 2014-15, ACOA activities reached over 150 Atlantic participants and facilitated approximately 120 business-to-business meetings with marine and defence contractors.

- ACOA facilitated the development of the Atlantic energy sector by coordinating efforts between federal and provincial partners in support of the development of new energy projects in the region.
- The Agency assisted in the development of a foreign trade zone task force for the Halifax Logistics Park to provide single window access to government services and support the promotion of the facility in international markets.
- ACOA also worked with federal and provincial partners to maintain a high level of engagement and combined resources through the International Business Development Agreement to increase exports, thus generating economic wealth for the region.
- ACOA continued to work with provincial partners, industry, associations and stakeholders to maximize the economic benefits that may accrue in the region in relation to emerging opportunities.
    - In Newfoundland and Labrador, the Agency pursued work with the Gros Morne Cooperating Association, other government departments and key stakeholders to advance the Gros Morne Cultural Blueprint and to develop and begin implementation of a national outreach strategy.
    - Through the Nova Scotia Energy Initiative, ACOA and the Atlantic Energy Office planned and worked with other federal departments, central agencies and the Nova Scotia Department of Energy to outline key opportunities that will impact the full development of the energy sector in Nova Scotia.
    - In New Brunswick, a strategic initiatives pilot was introduced to work in collaboration with other government departments and industry to more effectively support the advancement of targeted initiatives that demonstrate strategic potential for the regional economy.
    - In Prince Edward Island, the Agency, in co-operation with the provincial government, supported a panel discussion focusing on European markets, which was delivered to an audience of over 130 Prince Edward Island businesses.
- ACOA supported the Government of Canada's engagement on the Organisation for Economic Co-operation and Development's (OECD) Regional Development Policy Committee (RDPC) and the Working Party on Rural Policy, with a key achievement being the successful renewal of the RDPC's five-year mandate (2015-19). The Agency also led the coordination of regional development agencies (RDAs) for Canada's involvement in the 10th OECD Rural Development Conference, and contributed to the development of a presentation to the OECD on Canada's RDA model.
- Finally, ACOA coordinated work with other federal departments in the region to complete the transition to a new model and launched the Atlantic Federal Council.

Priority 4	Type	Program
Continually improve the **internal management** of the organization and maintain employee engagement to excel in serving Canadians.	Ongoing	Internal Services

Summary of Progress

What progress has been made toward this priority?

In 2014-15, ACOA implemented transformational and organizational initiatives to strengthen and improve the Agency's capacity to deliver excellent programs and services and to seek opportunities for increased collaboration. For example:

- ACOA continued to support the implementation of key efficiency improvements and whole-of-government IT initiatives such as the new Human Resources (HR) management system (MyGCHR), the Shared Travel Services solution and the new Treasury Board Secretariat Performance Management Directive.
- The Agency worked collaboratively with other RDAs to define a business and information model for a common grants and contributions management system that will help RDAs further achieve a whole-of-government approach.
- ACOA pursued its focus on employee engagement and continued to use employee-driven process improvement initiatives.
- In addition to supporting the transition of economic development activities within its operations following the dissolution of Enterprise Cape Breton Corporation (ECBC), ACOA provided former ECBC staff who became ACOA employees with the support, tools and training required to ensure their effective integration into the Agency.

ACOA ensured appropriate mitigation of the Agency's key risks. The Agency promoted and strengthened risk management and results-based management capacity and culture within the organization by ensuring that risk management was integrated into the Agency's planning and decision-making process.

The implementation of ACOA's Values and Ethics Strategy supported the objective of ensuring that values and ethics remain at the foundation of the Agency's corporate culture and promoting open dialogue at all levels of the Agency.

ACOA has maintained strong HR practices by:

- supporting an enhanced HR planning process to ensure better alignment with business needs;
- as part of the implementation of ACOA's Official Languages Action Plan, raising awareness of the *Official Languages Act* and employees' rights and responsibilities relating to official languages;
- implementing activities and objectives that are part of the Employment Equity and Diversity action plan (2011-15), such as raising employee awareness and encouraging an environment that embraces cultural diversity, employment equity and a respectful workplace; and
- actively promoting the Public Service Employee Survey 2014 – the Agency's results were favourable – through various forms of communication.

Throughout 2014-15, the Agency continued to actively support the Blueprint 2020 initiative. ACOA's pursuit of the Blueprint 2020 vision has become a cross-Agency endeavour, spawning new, employee-driven initiatives with a common goal of making employee engagement "business as usual" while seeking out efficiencies and streamlining processes in order to deliver the best service possible to Atlantic Canadians.

Risk Analysis

Risk	Risk Response Strategy	Link to PAA
Portfolio Management There is a risk that existing capacity for project selection, evaluation, monitoring and portfolio management activities may not be sufficient to fully achieve program objectives, which could impact on the Agency's overall effectiveness.	ACOA improved work processes and enhanced guidance and reference materials that support program delivery. The Agency expanded the availability and adequacy of tools and frameworks to better support monitoring and oversight of portfolio activities. Continued focus was placed on training activities, sharing lessons learned and enhancing integration and collaboration across the Agency. The Agency also continued to develop and enhance dashboards to support management information needs.	• Enterprise Development; • Community Development
Organizational Change Management There is a risk that the Agency's efforts to manage significant ongoing change may not be sufficient to sustain productivity, effectiveness and employee engagement.	ACOA supported opportunities for dialogue and engagement around change management, including ongoing implementation of Blueprint 2020 initiatives. The Agency continued to integrate change management principles into its planning and management approach. The Agency ensured that managers were properly equipped to manage performance, engage employees and assume responsibilities resulting from organizational changes. The Agency created new working groups to ensure alignment with new and future Treasury Board Secretariat directives. Dialogue, collaboration and a high level of employee engagement were also encouraged through the sound use of technology and social media. Finally, frameworks, tools and processes were improved through employee-driven initiatives (e.g. kaizen events) as well as collaborations with other government departments. This contributed to efficiency, productivity and effectiveness in program delivery and internal operations.	• Enterprise Development; • Community Development; • Policy, Advocacy and Coordination; • Internal Services
Information Tools and Systems There is a risk that an up-to-date suite of modern, compatible information tools and systems may not be developed and implemented in a timely manner, which may affect the Agency's productivity.	The Agency continued to focus on enhancing internal communication to ensure understanding of business and information needs as well as capacity. The use of existing systems and tools was optimized through training and awareness, collaboration with other government departments and enhanced internal communications.	• Enterprise Development; • Community Development; • Policy, Advocacy and Coordination; • Internal Services

External Factors

After posting a solid performance in 2013 due to a rebound in crude oil production and business investment, Atlantic Canada's real gross domestic product (GDP) moderated in 2014. Atlantic Canada's real GDP decreased by 0.2% in 2014,[iv] compared to an average increase of 2.4%[v] nationally, mainly due to weaker economic activity in Newfoundland and Labrador resulting from lower production of oil and iron ore. Economic growth in the other three Atlantic provinces improved, with real GDP advancing by a combined 0.9%.[vi]

The world economy continued to expand in 2014. However, economic performance remained uneven across major economies. Growth in advanced economies picked up in 2014, while growth in emerging economies decelerated slightly. Notwithstanding, Atlantic Canadian exports increased in 2014, with Nova Scotia registering the largest gain in terms of commodity exports nationally.

Additionally, increased global competition is requiring businesses in Atlantic Canada to become more competitive and productive. The R&D performance in Atlantic Canada (an indicator in understanding innovation and productivity levels) rose by an annual average of 4.1% from 2002 to 2012, exceeding the national increase of 2.9% – with improvement occurring in the private and higher education sectors.[vii]

Internal Factors

During fiscal year 2014-15, ACOA focused on creating an environment in which both opportunities and challenges could be addressed. With a focus on innovation and continuous improvement, a strengthened risk management function and an alignment with the whole-of-government approach, ACOA was able to deliver its programs and services while ensuring progress toward its strategic outcome and organizational priorities.

Actual Expenditures

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	Difference: (actual minus planned)
288,486,384	288,486,384	308,113,877	305,273,091	16,786,707

Human Resources (Full-Time Equivalents – FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
566	570	4

Budgetary Performance Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome, Programs, and Internal Services	2014-15 Main Estimates	2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	2013-14 Actual Spending (authorities used)	2012-13 Actual Spending (authorities used)
Strategic Outcome: 1. A competitive Atlantic Canadian economy								
1.1 Enterprise Development	164,581,549	164,581,549	171,221,612	169,937,144	180,673,455	173,992,156	180,674,018	179,856,451
1.2 Community Development	87,408,010	87,408,010	89,727,582	89,368,367	90,536,110	90,659,999	94,103,327	88,520,093
1.3 Policy, Advocacy and Coordination	11,351,591	11,351,591	11,774,749	11,715,659	10,851,899	12,444,235	10,634,165	12,403,955
Subtotal	**263,341,150**	**263,341,150**	**272,723,943**	**271,021,170**	**282,061,464**	**277,096,390**	**285,411,510**	**280,780,499**
Internal Services	25,145,234	25,145,234	25,861,046	25,837,379	26,052,413	28,176,701	28,746,598	34,881,448
Total	**288,486,384**	**288,486,384**	**298,584,989**	**296,858,549**	**308,113,877**	**305,273,091**	**314,158,108**	**315,661,947**

In 2014-15, planned spending of $288.5 million increased by $19.6 million, resulting in total authorities of $308.1 million. This occurred due to the following changes in authorities:

- Increases in authorities of $20.4 million
  - $1.1 million in federal support for the Spruce Budworm Outbreak Intervention Initiatives – ACOA component;
  - $2.5 million for funding to support projects in innovation, commercialization and community development in New Brunswick;
  - $7.6 million made available from the collection of repayable contributions;
  - $5.8 million resulting from the dissolution of ECBC; and
  - $3.4 million for operating budget carried forward from 2013-14.
- Decrease in spending authorities
  - $0.8 million related to the reorganization of regional federal councils.

From total authorities of $308.1 million, actual spending was $305.3 million, resulting in a surplus of $2.8 million. From this surplus, $1.0 million relates to a portion of the funding received to support projects in innovation, commercialization and community development in New Brunswick. Since one of these projects will not move forward, these funds will be lapsed. The balance of $1.8 million is part of the Agency's operating budget carry forward.

Alignment of Spending With the Whole-of-Government Framework

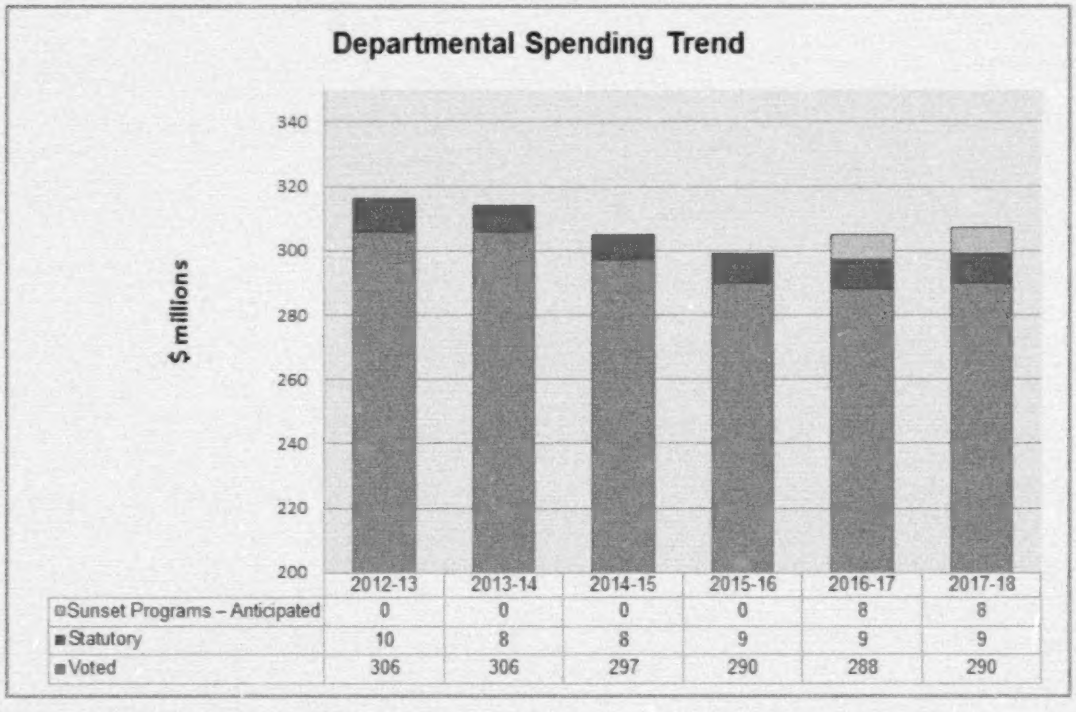
Alignment of 2014-15 Actual Spending with the Whole of Government Framework (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014-15 Actual Spending
1. A competitive Atlantic Canadian economy	1.1 Enterprise Development	Economic Affairs	Strong Economic Growth	173,992,156
	1.2 Community Development	Economic Affairs	Strong Economic Growth	90,659,999
	1.3 Policy, Advocacy and Coordination	Economic Affairs	Strong Economic Growth	12,444,235

Total Spending, by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	263,341,150	277,096,390
Social Affairs	0	0
International Affairs	0	0
Government Affairs	0	0

Departmental Spending Trend



	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Sunset Programs – Anticipated	0	0	0	0	8	8
Statutory	10	8	8	9	9	9
Voted	306	306	297	290	288	290

This graph illustrates the Agency's actual spending from 2012-13 to 2014-15 and planned spending from 2015-16 to 2017-18.

The Agency's planned spending levels stabilized in 2015-16 after declining since 2012-13, largely due to the sunsetting of the Community Infrastructure Improvement Fund and as a result of the strategic savings identified in Budget 2011 and Budget 2012. The forecast spending levels will increase during 2016-17 and 2017-18 due to the funding received in support of the Canada 150 Community Infrastructure Program announced in Budget 2015. The Agency continues to identify and implement cost efficiencies as well as to improve the effectiveness of operations and programs to ensure value for taxpayers' money.

Expenditures by Vote

For information on ACOA's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2015* on the website of Public Works and Government Services Canada.

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome: A competitive Atlantic Canadian economy

Performance Measurement

Performance Indicator	Five-Year Target (2013-14 to 2017-18)	Actual Result
Increase in Atlantic Canada's GDP for every $1 of ACOA expenditure in direct support of business	$4.50	To be reported in the 2017-18 Departmental Performance Report[viii]

A competitive economy increases opportunities for economic development through the growth of earned incomes and employment opportunities. Productivity is an important determinant of competitiveness and a source of long-term prosperity for a region. Competitiveness and productivity are critical factors that allow economies to adapt to changing market conditions. The Agency supports and works with businesses and communities to help them become more competitive, innovative and productive and to enable them to position themselves for the future. It also develops initiatives that support the distinct economic development needs of Atlantic Canadian rural and urban communities.

During 2014-15, ACOA continued to focus efforts on increasing competitiveness through investments in areas such as innovation, business skills, community infrastructure and development, and international business development. To help small and medium-sized enterprises (SMEs) become more competitive, the Agency targeted productivity drivers, including innovation and commercialization, technology adoption, business and management skills, and access to capital for firms and communities. ACOA also emphasized trade and investment activities to assist firms to expand in global markets and encourage international trade.

ACOA develops collaborations with businesses, governments and other stakeholders to ensure that SMEs will be able to capitalize on major opportunities occurring in the region over the coming years. Through these collaborations, attention is focused on investments and activities that promote Atlantic Canada businesses and on the development of strategies to address key challenges. It also helps reposition both urban and rural communities so they can deliver more value-added products, better jobs and high-value exports.

ACOA continues to have a positive impact on the competitiveness of the Atlantic Canadian economy. One measure of this impact can be seen through the increase in regional gross domestic product (GDP) linked to ACOA investments. Over the five-year period from 2008 to 2013, Atlantic Canada's real GDP is estimated to have been almost $1 billion higher than it would have been without the Agency's expenditures to support businesses in the region. During this period, direct ACOA support to business for commercial projects produced over $5.40 in GDP gains for every dollar of ACOA expenditures.[ix]

Program 1.1: Enterprise Development

Description

Despite recent economic progress and some promising opportunities on the horizon (e.g. energy, shipbuilding), some significant challenges remain for the region to maximize positive growth. One of the most telling indicators of this is that, in a number of sectors, productivity remains significantly lower than in leading countries and other regions of Canada. The Agency works in partnership with Atlantic Canadian businesses, stakeholders, industry and institutions to improve the growth and productivity of Atlantic Canada's economy, leading to increased competitiveness, higher earned incomes and job creation. The Agency works to improve the capacity of Atlantic Canada's rural and urban areas for economic growth through a variety of strategically focused mechanisms: assisting businesses, particularly small and medium-sized ones, to start, expand or modernize and to establish or expand export activities; partnering with universities and other institutions to increase the region's research and development capacity, commercialization and productivity; and promoting and participating in the region's transition to a knowledge economy.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	Difference: (actual minus planned)
164,581,549	164,581,549	180,673,455	173,992,156	9,410,607 *

*Enterprise Development planned spending was increased by $16.1 million during the 2014-15 fiscal year, bringing total authorities available for use to $180.7 million, mainly as a result of ACOA assuming the responsibility of former ECBC economic development activities, the reinvestment of excess collections, and the approval of incremental funding from Budget 2014 initiatives. The variance between total authorities available for use and actual spending of $6.7 million is explained by a variation in programming demands.

Human Resources (Full-Time Equivalents – FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
216	218	2

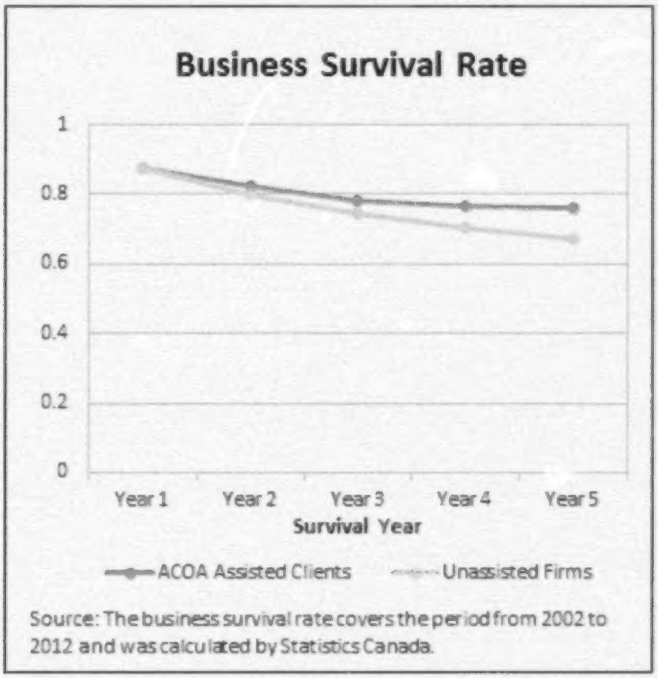
Performance Results

Expected Result	Performance Indicator	Annual Target 2014-15	Actual Result
Improved growth and competitiveness of Atlantic Canadian small and medium-sized enterprises	Percentage points by which the business survival rate of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	10	9
	Percentage points by which the labour productivity growth of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	0.3	7.3

Performance Analysis and Lessons Learned

In 2014-15, ACOA continued to work on improving the productivity and competitiveness of Atlantic Canada enterprises. The Agency provided assistance through the three sub-programs within Enterprise Development in order to fuel innovation and commercialization, improve productivity and business skills, expand international markets and provide the capital needed to sustain growth and deliver expected results.

The business survival rate is used to measure ACOA's contribution to increasing companies' competitiveness. A company's survival depends on many factors, such as the age of the business, location and size. The Agency was very close to its target for this performance indicator; the five-year business survival rate for ACOA-assisted firms was nine percentage points higher than the rate for comparable firms not assisted by the Agency.[x] In fact, for the 2002 to 2012 period, the business survival rate for ACOA-assisted firms was 76% after the crucial fifth year following start-up, compared with 67% for unassisted firms. This result seems to show that the economic downturn that occurred in 2008-09 has affected ACOA-assisted companies less severely. ACOA helped businesses in the start-up process by providing access to financing, information and advice as well as business tools and guides, which helped them weather the difficult business environment.



Source: The business survival rate covers the period from 2002 to 2012 and was calculated by Statistics Canada.

Another measure of competitiveness is growth in labour productivity. Labour productivity in ACOA-assisted firms, which is estimated using sales per worker, experienced healthy growth between 2007 and 2012. Sales per worker rose by 5.3% per year[xi] in ACOA-assisted firms, which is 7.3 percentage points above the group of comparable firms not assisted by the Agency. This performance indicator is being used for the second time and is monitored to ensure the target represents a good benchmark.

Sub-program 1.1.1: Innovation and Commercialization

Description

Raising the levels of research and development (R&D) and of innovation in the region is fundamental to increasing Atlantic Canada's competitiveness and to closing the productivity gap with the rest of the country. The Agency invests in innovation and commercialization by supporting the R&D of new products, services and processes, and their commercialization in the marketplace. As well, the Agency provides support for the adoption and adaptation of leading-edge technologies in businesses. Clients include businesses and organizations such as universities and research institutes. This sub-program uses funding from the following transfer payments: the Atlantic Innovation Fund and the Business Development Program.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2014-15 Actual Spending	Difference: (actual minus planned)
86,168,660	81,372,221	(4,796,439)

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
81	80	(1)

Performance Results

Expected Result	Performance Indicator	Annual Target 2014-15	Actual Result
Strengthened innovation and commercialization capacity in Atlantic Canada	Amount leveraged per dollar invested by ACOA in innovation projects	$1.00	$1.42
	Number of key collaborators for technology development and commercialization through Atlantic Innovation Fund projects	45	4
		Four-year Target 2011-12 through 2014-15	
	Dollar amount of revenues resulting from commercialization*	$150 million (cumulative)	$192 million (estimate)

* "Dollar amount of revenues resulting from commercialization" is expressed on a typical-year basis. An estimated average annual amount of $48 million is based on extrapolated client survey data for ACOA-assisted projects between 2005-06 and 2012-13. By extrapolating this annual average, the revenues from commercialization are estimated at $192 million over four years.

Performance Analysis and Lessons Learned

In 2014-15, the Agency implemented enhancements to its innovation and commercialization programming. Improvements included moving the Atlantic Innovation Fund (AIF) to a continuous intake of project proposals; increased emphasis on technology soundness for AIF projects while continuing to support breakthrough science; allowing smaller-scale AIF commercial projects; and creating a commercialization program element under the Business Development Program (BDP).

Through the AIF and BDP, the Agency invested $48.9 million in 158 innovation and commercialization projects. These investments helped Atlantic Canadian SMEs increase their productivity and improve their competitive position by enabling them to develop new products, services or processes, gain efficiencies, reduce production costs, acquire skills, leverage additional private-sector investments, or commercialize their ideas.

As for revenues resulting from commercialization, the evaluation of this sub-program, dated January 2015, estimates an annual average of $48 million. By extrapolating this annual average, the revenues from commercialization are estimated at $192 million over four years, which exceeds ACOA's target.

With regard to innovation specifically (excluding commercialization projects), the Agency approved $28.6 million in funding for new projects toward total costs of $68.8 million. This means that the Agency exceeded its target by leveraging $1.42 for every dollar invested by the Agency from sources such as the private sector, universities and research institutes, national programs and Atlantic provincial governments.

Under the AIF, the Agency provided $10 million in funding for one project in 2014-15 to Forest Protection Limited. This project, which is strategic for Atlantic Canada, focuses on researching, developing and integrating pest-control techniques and products in order to manage and suppress the outbreak of the spruce budworm population. Four partnerships with universities, industry and government stemmed from this project. During 2014-15, the Agency focused on adapting its programming and processes to the clients' needs; on informing and engaging its stakeholders to stimulate innovation; and on working with proponents to develop meaningful partnerships that would lead to the commercialization of outcomes. Given the changes to the AIF application process and the scope and nature of desired projects, the previously established 45 partnerships target is no longer valid. A new target will be informed by 2015-16 activity.

Sub-program 1.1.2: Productivity and Growth

Description

The Agency invests in productivity and growth to enhance Atlantic Canadians' access to the information, business skills and financing they require to start and/or grow a business. This enables businesses to get established, become more productive and grow, which generates wealth and jobs in the economy. Investments in productivity and growth are made directly by helping businesses to increase competitiveness through activities such as productivity improvement, expansion, modernization, business skills development, training, hiring skilled personnel, and indirectly through contributions to non-profit organizations such as business and economic development associations that undertake activities that foster business productivity and growth. The Agency also administers Canada Business, which acts as a comprehensive source of information on government services, programs, regulations and resources for businesses. By reducing the complexity of dealing with various levels of government, Canada Business plays a role in the business development process. This sub-program uses funding from the following transfer payment: the Business Development Program.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2014-15 Actual Spending	Difference: (actual minus planned)
53,295,707	72,822,873	19,527,166

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
84	86	2

Performance Results

Expected Result	Performance Indicator	Annual Target 2014-15	Actual Result
Enhanced Atlantic Canadian small and medium-sized enterprises' productivity and growth capacity	Amount leveraged per dollar invested by ACOA in commercial Productivity and Growth projects	$2.00	$1.64
	Percentage of participants in business skills development activities indicating that the activity improved their business skills	85%	87%
	Percentage points by which the growth in sales of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	0.5	3.9

Performance Analysis and Lessons Learned

In 2014-15, the Agency approved $57.5 million in direct assistance to SMEs. These investments enabled Atlantic entrepreneurs to have access to opportunities to grow their businesses and become more productive. The Agency invested in projects that assisted SMEs with hiring skilled personnel, with modernizing and expanding their operations and with incorporating lean manufacturing initiatives so they can prosper. Each dollar invested by ACOA in these projects helped to leverage an additional $1.64 from other sources, thus helping to reduce the Agency's risk while increasing the economic activity in the region – mostly meeting the target of two-to-one. The results demonstrate that, despite softer economic conditions, ACOA's ability to leverage assistance from other capital suppliers remained strong when funding projects for Atlantic SMEs.

As well, sales by ACOA-assisted firms totalled $26.3 billion in 2012,[xii] up from $21.5 billion in 2007,[xiii] representing an average increase of 4.1% per year. In comparison, sales at unassisted firms grew at a rate averaging 0.2% per year.[xiv] As a result, ACOA-assisted firms outperformed unassisted firms by 3.9 percentage points, allowing ACOA to surpass its target of 0.5 percentage points.

To help entrepreneurs start and grow a business, the Agency approved an additional $16.6 million in non-commercial projects for activities that allowed participants to further develop their business and management skills. Activities undertaken included advisory services to address specific business challenges and various initiatives supporting youth entrepreneurship, such as business plan competitions. Out of the 10,510[xv] participants in ACOA-supported business skills development activities who responded to a survey, 87%[xvi] indicated that the activity improved their business skills.

Sub-program 1.1.3: International Business Development

Description

Canada's Global Commerce Strategy identifies global value chains and new economic forces as offering opportunities while recognizing increased competition for Canada. To strengthen the country's position in international markets, the strategy prescribes taking advantage of emerging global opportunities and reinforcing Canada's image internationally as a preferred business partner and premier investment destination. Consistent with this strategy, the Agency pursues international opportunities with a view to increasing the number of exporters and the volume of export sales, to attracting foreign direct investment and to supporting the international commercialization of technology. Further, the Agency promotes Atlantic Canada abroad as a world leader in energy production, export and research, as a centre of innovation, as a skilled labour pool, as a reliable supplier of quality products at competitive prices and as the gateway to the North American market. The Agency also plays a role in coordinating the efforts of federal, provincial and private-sector organizations in Atlantic Canada in pursuing international business opportunities. Clients include businesses, non-profit organizations, learning and research institutions, and provincial governments. This sub-program uses funding from the following transfer payment: the Business Development Program.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2014-15 Actual Spending	Difference: (actual minus planned)
25,117,182	19,797,062	(5,320,120)

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
51	52	1

Performance Results

Expected Result	Performance Indicator	Annual Target 2014-15	Actual Result
Expanded export activity by small and medium-sized enterprises in Atlantic Canada	Percentage of small and medium-sized enterprises that expanded their international sales within 12 months of participating in an International Business Development activity	50%	64%
	Percentage of commercial International Business Development projects that met expectations, thus contributing to expanded export activity	75%	67%
New foreign direct investment opportunities in Atlantic Canada	Number of foreign direct investment transactions completed (deals closed) where ACOA's support contributed to bringing the project to fruition	3	17

Performance Analysis and Lessons Learned

During the 2014-15 fiscal year, the Agency contributed to the Government of Canada's efforts to foster business relations, attract foreign investment and nurture technological co-operation. With the support of ACOA programs and the International Business Development Agreement, Atlantic Canada's SMEs participated in activities to identify and develop opportunities in new markets such as the Americas, China, and India while maintaining a footprint in traditional markets such as the United States and Europe.

ACOA played a key catalyst role in helping Atlantic Canadian companies expand in key international markets by investing $14.8 million in 158 international business development activities. For example, with ACOA's support, an Atlantic Canadian delegation of 21 companies, universities and research organizations involved in bioscience attended the BIO 2014 International Convention held in San Diego, California from June 23 to 26, 2014. These delegates participated in over 125 prescheduled meetings, resulting in immediate sales of $1.9 million and anticipated sales of $5.2 million.

To measure the expanded export activity of SMEs in Atlantic Canada, ACOA implemented two new performance indicators in 2014-15. These were based on internal data collected directly from clients. The Agency exceeded the first target: 64% of SMEs participating in an international business development activity expanded their international sales within 12 months. It scored just below the second target: 67% of commercial international business development projects contributed to expanded export activities.

New foreign direct investment opportunities in Atlantic Canada are measured through the performance indicator "number of foreign direct investment transactions completed." ACOA far exceeded its target, with 17 foreign direct investment transactions.

Program 1.2: Community Development

Description

The Atlantic economy is built on the region's many geographic, linguistic and cultural communities. From rural areas to larger urban centres, the opportunities and challenges vary significantly. Communities are the foundation of economic development and are critical for economic prosperity. The Agency recognizes the importance of communities and supports their efforts to develop the resources they need to contribute fully to their economic development. For those reasons, the Agency focuses community development efforts and strategies to create dynamic and sustainable communities with increased economic and business activities as well as quality public infrastructure. The Agency develops and delivers programming that meets the unique economic development needs of rural areas in Atlantic Canada and that contributes to a stronger region. The Agency collaborates with the private sector, other levels of government, other federal government departments, educational institutions, non-profit organizations and communities to leverage support, coordinate economic development, identify and capitalize on emerging opportunities and react to economic challenges across the region. This requires a flexible approach based on the realities of a given community's capacities, strengths and challenges.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	Difference: (actual minus planned)
87,408,010	87,408,010	90,536,110	90,659,999	3,251,989*

*Community Development planned spending was increased by $3.1 million during the 2014-15 fiscal year, bringing total authorities available for use to $90.5 million, mainly as a result of ACOA assuming responsibility for the former ECBC's economic development activities. The variance between total authorities available for use and actual spending of $0.2 million is explained by a variation in programming demands.

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
92	95	3

Performance Results

Expected Result	Performance Indicator	Annual Target (2014-15)	Actual Result
Dynamic and sustainable communities in Atlantic Canada with increased economic and business activity	Percentage of Community Development (CD) projects that met expectations, thus contributing to the CD expected result	80%	91%
	Percentage points by which the business survival rate of clients assisted by Community Business Development Corporations (CBDCs) exceeds that of comparable firms not assisted by CBDCs	10	24

Performance Analysis and Lessons Learned

In 2014-15, ACOA worked closely with communities, community economic development networks, and provincial and municipal governments to stimulate the economic development of Atlantic Canada's rural and urban areas. ACOA invested $71.2 million in 337 community development projects that are well aligned with the economic priorities and distinct needs of the various communities. Of these, over 91% achieved expected results, which exceeds the target of 80%.

The Agency continued its focus on increasing the economic impact of investments made under the Innovative Communities Fund (ICF). These efforts resulted in ACOA collaborating with communities and stakeholders in strategic projects related to community capacity building and to emerging sector development.

ACOA invested over $13.5 million to support the network of Community Business Development Corporations (CBDCs) in 2014-15. The business survival rate is an indicator for measuring ACOA's performance in terms of community development. The survival of SMEs is essential for dynamic and sustainable communities in Atlantic Canada. The Agency exceeded its target in this regard: the five-year business survival rate for CBDC-assisted firms is notably higher than that for unassisted firms. For comparison purposes, "unassisted firms" are those of similar size, sector and geographic region that did not receive a direct monetary contribution from a CBDC. In fact, for the 2002 to 2012 period, the business survival rate for CBDC-assisted firms was 71% after the crucial fifth year following start-up, compared with 47% for unassisted firms.[xvii] This represents a variance in the five-year business survival rate of 24 percentage points, which is well above the target of 10 percentage points.

ACOA also worked closely with indigenous leadership, Atlantic provincial governments and Indigenous and Northern Affairs Canada to complement the work being done in the region with respect to indigenous economic development. The Agency continued with the delivery of new guidelines and procedures regarding its duty to consult indigenous communities. Regional lead experts have been put in place to ensure staff in regional offices have a full understanding of the duty-to-consult process, as well as tools and resources in order to adhere to these guidelines and strengthen relationships with indigenous communities.

The Agency continued to engage with official language minority communities (OLMCs) by providing $11.7 million in assistance for 84 projects throughout Atlantic Canada, including projects under the Economic Development Initiative, thereby contributing to the vitality of those communities.

Sub-program 1.2.1: Community Investment

Description

To be sustainable and to grow, communities must take responsibility for their own economic development future. They must have the capacity and resources available to them at a local level to lead the community development process as well as to invest in those initiatives that stimulate their economic development. These communities include geographic communities and communities of interest such as industry sectors, non-profit organizations and indigenous and francophone organizations. The Agency works with these communities, assisting them to develop their own vision for economic growth through targeted planning and making strategic investments toward increasing the human capacity present in the community, including skills development, training and coordination, as well as the physical capacity (i.e. community infrastructure). This sub-program uses funding from the following transfer payments: the Innovative Communities Fund and the Business Development Program.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2014-15 Actual Spending	Difference: (actual minus planned)
69,648,190	72,486,445	2,838,255

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
75	79	4

Performance Results

Expected Result	Performance Indicator	Annual Target (2014-15)	Actual Result
Communities respond to economic and business development opportunities and challenges	Amount leveraged per dollar invested by ACOA in Community Investment projects	$1.50	$1.95

Performance Analysis and Lessons Learned

In 2014-15, ACOA collaborated with communities and stakeholders to build strong community capacity in Atlantic Canada. A total of 308 projects were approved under the Community Investment sub-program, contributing a total of $52.8 million to Atlantic Canada communities. The amount leveraged per dollar invested in these projects was $1.95. The Agency continued to support higher economic impact projects, which resulted in ACOA leveraging much higher amounts than anticipated from other partners.

Through the ICF, the Agency provided assistance to 88 projects, in the amount of $42.2 million. Investments included supporting strategic community infrastructure projects as well as industry associations in their development efforts for the growth of targeted sectors, thereby helping rural SMEs. Other opportunities were sought through

ACOA's Strategic Tourism Expansion Program, which supports destination development in rural communities throughout the region. In fact, in 2014-15, ten new communities were engaged in the program throughout Atlantic Canada. The program is being very well received and more communities are looking forward to taking advantage of this unique program in the future to market their individual strengths to develop tourism.

The Agency continued to support the Atlantic region's francophone OLMC through the Roadmap for Canada's Official Languages.

Furthermore, ACOA continued to collaborate with indigenous organizations such as the Atlantic Policy Congress of First Nations Chiefs on investments that strengthened the indigenous economy. A total of 10 indigenous-related community investment projects were funded in 2014-15, providing $4.3 million in assistance.

In 2014-15, ACOA worked closely with Infrastructure Canada to ensure the efficient administration of the Building Canada Fund – Communities Component in the Atlantic region as prescribed in the service level agreement between ACOA and Infrastructure Canada.

Sub-program 1.2.2: Community-based Business Development

Description

The lack of business capital available in rural regions of Canada has the potential to be a significant economic development barrier. It impedes the establishment and expansion of small businesses in rural areas that are essential to the vitality and sustainability of communities. The Agency provides targeted support to community-based non-profit organizations to address investment capital gaps that focus on small businesses. As such, the Agency provides contributions to a network of CBDCs in Atlantic Canada that are run by community-based volunteer boards of directors. CBDCs provide an essential source of investment capital that focuses on small rural businesses as well as on other services that include business counselling and skills development. In addition, the Agency assists indigenous communities by improving access to capital for small and medium-sized indigenous businesses through the Ulnooweg Development Group Inc. This sub-program uses funding from the following transfer payments: the Community Futures Program, the Innovative Communities Fund and the Business Development Program.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2014-15 Actual Spending	Difference (actual minus planned)
17,759,820	18,173,554	413,734

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
17	16	(1)

Performance Results

Expected Result	Performance Indicator	Annual Target (2014-15)	Actual Result
Strengthened and expanded businesses	Percentage points by which the employment growth of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	2	4.1
	Percentage points by which the growth in sales of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	5	4.7

Performance Analysis and Lessons Learned

In 2014-15, CBDCs continued to provide an essential source of investment capital focused on rural businesses as well as business counselling and skills development. CBDCs assisted 1,240 businesses through their investment fund by approving 1,330 loans, representing a total direct investment in local SMEs of $70 million.[xviii] These record high investments contributed to the creation of 1,430 new jobs in rural communities in Atlantic Canada.[xix]

The Agency maximized the use of funds available to CBDCs as recipients of funding in accordance with the Community Futures of Tomorrow model. ACOA continued to collaborate with the CBDC network to enhance governance practices when needed and provided ongoing training to board members. In 2014-15, a total of 11 training sessions were completed across the region, with a total of 152 participants.

Employment growth in CBDC-assisted firms averaged 4.2% per year between 2007 and 2012.[xx] In comparison, employment in unassisted firms grew by an average of 0.1% per year over the same period. This represents a variance in firms' employment growth of 4.1 percentage points between CBDC-assisted firms and unassisted firms.

Sales by CBDC-assisted firms totalled $1.4 billion in 2012, up from $1.1 billion in 2007,[xxi] representing average annual growth of 6.3%. In comparison, sales by unassisted firms reached $48.5 billion in 2012, up from $44.9 billion in 2007, representing an average increase of 1.6% per year. This represents a variance in firms' sales growth of 4.7 percentage points between CBDC-assisted firms and unassisted firms. While the result is slightly lower than the established target, CBDC-assisted firms still outperformed the comparable group in terms of sales growth by a wide margin.

The Agency also engaged stakeholders in order to enhance the adoption, development and commercialization of new technologies by rural SMEs supported by community-based business development; to encourage more lending in innovation, youth and first-time entrepreneurs; and to support businesses with effective tools.

Program 1.3: Policy, Advocacy and Coordination

Description

The Agency's Policy, Advocacy and Coordination (PAC) program is central to identifying and effectively responding to opportunities and challenges facing the regional economy. PAC provides intelligence, analysis and well-grounded advice on a broad range of issues and topics, and it informs and supports Agency and ministerial decision making. PAC helps carry the Agency's agenda forward and ensure that ACOA overall remains relevant and responsive to the opportunities and challenges in Atlantic Canada by offering strategic, researched policy positions that reflect the region's potential, by influencing national policies and programs that affect Atlantic Canada's development and interests, and in coordinating other policies and programs within the region to form integrated approaches to development.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	Difference: (actual minus planned)
11,351,591	11,351,591	10,851,899	12,444,235	1,092,644 *

*Policy, Advocacy and Coordination planned spending was reduced by $0.5 million during the 2014-15 fiscal year, bringing the total authorities available for use to $10.9 million, mainly as a result of the reorganization of regional federal councils. The variance between total authorities available for use and actual spending of $1.6 million is explained by a variation in programming demands.

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
68	60	(8)

Performance Results

Expected Result	Performance Indicator	Annual Target (2014-15)	Actual Result
Policies and programs that strengthen the Atlantic economy	Percentage of PAC activities that have met their objectives, thus contributing to the PAC expected result	75%	100%

Performance Analysis and Lessons Learned

PAC's support for the Agency's key activities in 2014-15 ensured that ACOA continued to reflect both Atlantic Canadian priorities and the federal agenda so that economic policies and programs respond to regional development opportunities. PAC activities also coordinated policies and programs within the region to help businesses and communities capitalize on emerging opportunities and address key challenges.

An evaluation of the Atlantic Policy Research Initiative (APRI) found that ACOA plays a key role in supporting the development of economic policy research and networking

opportunities in the Atlantic region and that APRI activities have been successful in supporting the immediate outcomes of the PAC program. The evaluation also recommended that ACOA explore opportunities to further enhance the outreach and engagement efforts under APRI-funded projects for both internal and external audiences.

From a Policy perspective, ACOA continued to provide intelligence, analysis, advice and research on a broad range of issues, including basic economic research on the region and more focused examinations of tidal energy,[xxii] demographics and immigration,[xxiii] innovation[xxiv] and functional economic regions.[xxv]

Through its Advocacy activities, the Agency worked on improving outcomes for Atlantic Canada. ACOA engaged with other government departments and agencies and worked to ensure they were made aware of the investment environment and competitiveness of the region's natural resource sectors. ACOA collaborated with federal and provincial partners in the development of innovative approaches to respond to an anticipated spruce budworm infestation in Atlantic Canada. It continued to work with partners to identify opportunities under new trade agreements and helped regional SMEs position themselves to take advantage of procurement opportunities related to the next phase of the National Shipbuilding Procurement Strategy and other federal industrial benefits opportunities.

In its Coordination role, ACOA engaged provincial and federal governments on a wide range of initiatives to support businesses, including increasing their capabilities and helping them capitalize on opportunities in relation to major projects. ACOA maintained its leadership role with the Atlantic Energy Gateway initiative by collaborating with the public and private sectors. The Agency also maintained its role as co-chair on the Atlantic Gateway Federal-Provincial Officials Committee to support the effectiveness and competitiveness of the transportation network and to promote the region's strategic assets internationally. ACOA maintained its lead role with regard to federal councils in the region by completing the transition to the new Atlantic Federal Council.

Sub-program 1.3.1: Policy

Description

Policy provides a solid base of understanding for the development of the Agency's strategic priorities and initiatives, program design, and input to national policy development and federal-provincial relations. This includes policy analysis and advice (including the development of policies and frameworks), economic analysis, research and stakeholder engagement. The policy function is carried out by officials at head office, in the regional offices and in the Ottawa office. The Agency's Policy work is supported in part by a dedicated Agency fund that contributes to building policy research capacity in Atlantic Canada. This sub-program uses funding from the following transfer payments: the Atlantic Policy Research Initiative (APRI) and the Business Development Program (BDP).

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2014-15 Actual Spending	Difference: (actual minus planned)
6,149,641	5,502,464	(647,177)

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
32	31	(1)

Performance Results

Expected Result	Performance Indicator	Annual Target (2014-15)	Actual Result
Well-informed policy decisions reflecting opportunities and challenges of the Atlantic Region's economy while considering enterprise and community development potential	Percentage of Policy activities that have met their objectives, thus contributing to Policy's expected result	80%	100%

Performance Analysis and Lessons Learned

In 2014-15, the Agency carried out research, analysis and stakeholder engagement efforts to provide the foundation for the development of strong policies and programs. The Agency conducted analysis and focused research of policy issues and trends in key areas reflecting opportunities and challenges for the Atlantic region's economy: productivity, business skills, international business development, innovation and commercialization, rural and urban issues, community development, major projects (e.g. energy, mining, shipbuilding) and other priority sectors such as resource industries.

ACOA completed a comprehensive review of its innovation programming in order to remain at the forefront of business innovation policy while enabling Atlantic Canada to best respond to strategic opportunities for growth.

The Agency's Policy function enhanced the Agency's understanding of a variety of issues facing the region by undertaking macroeconomic, microeconomic and fiscal analyses such as the *Economic Overview of Atlantic Canada*. Regional offices prepared provincial economic profiles as well as analyses related to regional opportunities, challenges and strategic sectors. The Policy function also supported the Agency's president in his role on deputy-minister-level committees and their meetings on economic and social priorities.

Moreover, the Agency engaged with industry, academia and all levels of government to enhance understanding of the dynamics and opportunities within the Atlantic regional economy. Five new projects were approved under the APRI in the areas of community development, international business, innovation, public administration and demographics. APRI studies were completed on topics such as functional economic regions[xxvi] and the value proposition for tidal energy in Atlantic Canada.[xxvii] An evaluation of the APRI found that it addresses an ongoing need for policy research funding to address critical gaps in knowledge about the future of economic development in Atlantic Canada.

Finally, ACOA's Policy function continued to support the president in his role as Chair of the Organisation for Economic Co-operation and Development's Regional Development Policy Committee, the pre-eminent international forum for discussion and exchange of experience in the field of regional development policy.

Sub-program 1.3.2: Advocacy

Description

Federal decision-makers must understand and consider Atlantic Canada's interests, and regional stakeholders must remain well informed of federal government actions and of opportunities that are relevant to the economic interests of the region. The Agency's Advocacy activities aim to advance the region's interests in national policy and program development. In the case of federal government procurement, particularly major Crown projects, the Agency advocates to leverage industrial regional benefits for Atlantic Canadian SMEs.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2014-15 Actual Spending	Difference: (actual minus planned)
2,755,295	5,403,007	2,647,712

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
19	18	(1)

Performance Results

Expected Result	Performance Indicator	Annual Target (2014-15)	Actual Result
Atlantic enterprise and community development interests are considered in emerging and changing federal economic policies, programs and regulations	Percentage of Advocacy activities that have met their objectives, thus contributing to Advocacy's expected result	75%	100%

Performance Analysis and Lessons Learned

ACOA engaged with other government departments to ensure that federal policies, programs and procurement initiatives help improve key outcomes such as productivity, export development, competitiveness and commercialization in Atlantic Canada and reflect the Atlantic Canadian perspective.

Along with other federal departments, the Agency raised awareness of the investment environment and competitiveness factors that contribute to the long-term growth of Atlantic Canada's natural resource sectors. Working with Atlantic provincial governments, the Economic Development Agency of Canada for the Regions of Quebec and Natural Resources Canada, the Agency sought support to help counter the spruce budworm infestation that threatens Atlantic Canadian forests and the forestry industry through development of innovative approaches. These efforts successfully identified federal funding and allowed access to this funding in a timely manner to meet the spring 2014 timeline, critical for a successful early intervention. The Agency also supported the

federal government's efforts in identifying European market access opportunities for key sectors such as agriculture, the fishery and advanced manufacturing.

ACOA actively supported the Government's commitment to celebrate Canada's 150th anniversary in 2017. To maximize the potential economic impact of these celebrations in the region, the Agency assisted in the development of the Canada 150 Fund and the Canada 150 Community Infrastructure Program.

ACOA participated in an interdepartmental policy working group that identified and documented a number of successful strategies that SMEs have used to penetrate global value chains. ACOA also undertook analysis of Atlantic Canadian case studies, bringing regionally significant evidence-based analysis to the policy development process.

Engaging prime contractors through its advocacy role in the Industrial and Technological Benefits Policy continues to be a priority for the Agency. For example, through its efforts in facilitating ongoing industry days and tours related to defence procurement, ACOA contributed to the success of numerous firms, growing their presence in Atlantic Canada, including Lockheed Martin Canada's Dartmouth, N.S., facility, which now has over 250 employees and continues to engage various regional suppliers as a result of ACOA advocacy initiatives in 2014-15.

The Agency also ensured the incorporation of an Atlantic perspective into the national Defence Procurement Strategy. The implementation of this strategy has allowed ACOA to continue helping regional SMEs position themselves to take advantage of defence procurement opportunities in areas such as the air force and army. In 2014-15, ACOA activities reached over 152 Atlantic participants and facilitated 118 business-to-business meetings.

ACOA's outreach activities for other industrial technical benefits in 2014-15 attracted 211 Atlantic SME participants and facilitated 142 business-to-business meetings, leveraging significant benefits into the Atlantic Canadian economy.

Sub-program 1.3.3: Coordination

Description

The Agency is mandated by legislation to coordinate the policies and programs of the Government of Canada in relation to opportunities for economic development in Atlantic Canada. The Coordination function engages a range of economic partners to address the economic priorities of Atlantic Canada through a coherent and collaborative approach to development, including federal-provincial initiatives, round tables and expert panels. The Agency also coordinates with other federal departments and with the regional federal councils on regional development efforts.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2014-15 Actual Spending	Difference: (actual minus planned)
2,446,655	1,538,764	(907,891)

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
17	11	(6)

Performance Results

Expected Result	Performance Indicator	Annual Target (2014-15)	Annual Target
Coordination of partners in addressing the economic priorities of Atlantic Canada through a coherent approach to development	Percentage of Coordination activities that have met their objectives, thus contributing to Coordination's expected result	75%	100%

Performance Analysis and Lessons Learned

In 2014-15, ACOA continued to focus on encouraging partners to work together to address Atlantic Canada's economic priorities and pursue a coherent approach to economic development. This allowed businesses to capitalize on emerging opportunities and address key challenges in the region. Notable examples of coordination include:

- In Prince Edward Island, ACOA collaborated with the provincial government to develop an export readiness program.
- ACOA engaged with other government departments through an interdepartmental committee on the European Union to develop an action plan to help New Brunswick SMEs and stakeholders increase their penetration in European markets and maximize the potential of new trade agreements.

- In Newfoundland and Labrador, ACOA worked with other government departments and key stakeholders to advance the Gros Morne Culture Blueprint and to develop and begin implementation of a national outreach strategy.

- In Nova Scotia, ACOA and the Agency's Atlantic Energy Office created the Nova Scotia Energy Working Group to maximize economic development opportunities stemming from the growing energy sector in the province and work with other federal departments, central agencies, and the Nova Scotia Department of Energy to develop SME and community capacity to access these opportunities.

- The Agency also worked with committees composed of representatives from federal departments and provincial governments, industry and stakeholders to guide research projects on topics such as tidal energy and functional economic regions.

The Agency continued in its role as co-chair of the Atlantic Gateway Federal-Provincial Officials Committee, whose work supports the ongoing competitiveness of the transportation system and international promotion of the region's strategic assets. ACOA facilitated the development of a Foreign Trade Zone task force for the Halifax Logistics Park to provide single-window access to government services and support the promotion of the facility in international markets.

With federal and provincial partners, ACOA organized an Atlantic Canada seminar during an international Arctic oil and gas conference in Copenhagen in March 2015 to showcase the region's ocean technology capabilities and promote the region as a base for arctic oil and gas support activities.

ACOA successfully concluded the transition to the Atlantic Federal Council (AFC) by overseeing the establishment of the AFC secretariat and the adoption of a governance structure and regional priorities. The AFC secretariat organized four AFC meetings to help shape national policies and programs with a positive regional impact. It also helped support efforts in priority areas such as people management, Blueprint 2020, official languages and emergency preparedness, and helped solidify the AFC's link with various networks.

As part of its responsibility to administer the Canada-France Agreement for Regional Cooperation between Atlantic Canada and St. Pierre-and-Miquelon, ACOA hosted two meetings in Prince Edward Island. These events brought together stakeholders from the two countries to put in place initiatives supporting increased economic activity, particularly in light of the Congrès Mondial Acadien and the Canada and European Union (EU) Comprehensive Economic and Trade Agreement (CETA).

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization.

These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided to a specific program.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	Difference: (actual minus planned)
25,145,234	25,145,234	26,052,413	28,176,701	3,031,467 *

*Internal Services planned spending increased by $0.9 million, bringing the total authorities available for use to $26.1 million during the 2014-15 fiscal year, mainly as a result of ACOA assuming responsibility for the former ECBC's economic development activities. Actual spending of $28.2 million exceeded total authorities by $2.1 million; however, this still represented a decrease of $0.6 million in actual spending when compared to the 2013-14 fiscal year.

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	Difference (actual minus planned)
190	197	7

Performance Analysis and Lessons Learned

ACOA continued to implement transformational and whole-of-government initiatives with a focus on common business processes that support the government's transformation agenda of adopting standard government solutions that will realize cost savings and efficiencies. For example, the Agency actively supported the implementation of the Cost-Effective Telephone Services Initiative as well as the migration to the new human resources management system, MyGCHR.

The Agency continued to engage employees in the implementation of initiatives to support the vision and principles of Blueprint 2020. In January 2015, a third progress report on strategic actions undertaken by ACOA in support of the Blueprint 2020 vision was presented to the Clerk of the Privy Council, including plans for future initiatives intended to keep the Agency moving forward on the path of continuous improvement.

Following the dissolution of the Enterprise Cape Breton Corporation (ECBC) in June 2014, ACOA worked with former ECBC officials as well as with Public Works and

Government Services Canada to ensure a smooth transition of economic development activities within the Agency's operations.

ACOA worked diligently to continue to adapt its evaluation approach to more effectively meet management needs for strategic information in a timely manner. It also identified key corporate risks and ensured appropriate mitigation measures were in place.

ACOA continued to enhance its human resources practices by supporting the implementation of central agency policy instruments such as the successful implementation of, and compliance with, the new Performance Management Directive from the Treasury Board of Canada Secretariat. Agency-wide results from the 2014 Public Service Employee Survey, released in February 2015, were favourable, and an approach was identified to ensure that the Agency effectively responds to the survey results.

The Agency implemented activities that support objectives that are part of its Employment Equity and Diversity Action Plan (2011-2015). In conformity with its Official Languages Action Plan, information sessions were delivered across the Agency to raise awareness about employees' rights and responsibilities related to the *Official Languages Act*.

Finally, the implementation of ACOA's Values and Ethics Strategy supported the objective of ensuring that values and ethics are a strong and evident part of the Agency's culture and are firmly integrated within the conduct of Agency employees and business processes.

Section III: Supplementary Information

Financial Statements Highlights

The financial highlights presented below are drawn from the Agency's financial statements and provide an overview of the Agency's financial position and operations. The unaudited financial statements are prepared in accordance with the Government's accounting policies, which are based on Canadian public sector accounting standards.

The actual expenditures presented in section I and II of this document were prepared on a cash basis, while the financial highlights that follow were prepared on an accrual basis. Tables reconciling these two accounting methods are presented in the Notes to the Agency's Financial Statements (Note 3).

Condensed Statement of Operations (unaudited)
For the Year Ended March 31, 2015
(dollars)

Financial Information	2014-15 Planned	2014-15 Actual	2013-14 Actual	Difference (2014-15 Actual minus 2014-15 Planned)	Difference (2014-15 Actual minus 2013-14 Actual)
Total expenses	229,831,000	240,918,357	249,480,319	11,087,357	(8,561,962)
Total revenues	10,000	12,792	8,517	2,792	4,275
Net cost of operations before government funding and transfers	**229,821,000**	**240,905,565**	**249,471,802**	**11,084,565**	**(8,566,237)**

Actual total expenses were $240.9 million in fiscal year 2014-15, a decrease of $8.6 million (3.4%) compared to the previous fiscal year. The decrease is mainly due to an accounting adjustment made every year with regard to conditionally repayable contributions. When payments are made on conditionally repayable contributions, the amounts are included in expenses until the conditions for repayment are met, at which time the Agency reduces its expenses and increases its accounts receivable. In 2014-15, the reduction was greater than in the previous fiscal year.

Of the total expenses of $240.9 million, $104.9 million (43.5%) was incurred under the Enterprise Development program, while $91.8 million (38.1%) was spent under the Community Development program.

Condensed Statement of Financial Position (unaudited)
As at March 31, 2015
(dollars)

Financial Information	2014-15	2013-14	Difference (2014-15 minus 2013-14)
Total net liabilities	62,673,714	68,606,899	(5,933,185)
Total net financial assets	57,421,930	63,852,361	(6,430,431)
Departmental net debt	5,251,784	4,754,538	497,264
Total non-financial assets	808,189	710,982	97,207
	(4,443,595)	**(4,043,556)**	**(400,039)**

Total net liabilities were $62.7 million at the end of the 2014-15 fiscal year, representing a decrease of $5.9 million (8.6%) from fiscal year 2013-14. The decrease is mostly attributable to a reduction in payables at year end.

Total net financial assets equalled $57.4 million at the end of the 2014-15 fiscal year, a decrease of $6.4 million (10.1%) from the previous year. The assets primarily consist of the "Due from the Consolidated Revenue Fund" ($63.6 million), which is used to discharge the Agency's liabilities. Given that the Agency's liabilities were lower than the previous fiscal year, the "Due from the Consolidated Revenue Fund" also decreased.

Total non-financial assets were $0.81 million at the end of the 2014-15 fiscal year, an increase of $0.1 million (13.7%) over the previous fiscal year's total of $0.71 million.

Financial Statements

ACOA's complete 2014-15 financial statements, which include the Statement of Management Responsibility Including Internal Control Over Financial Reporting and its annex, can be found on the Agency's website.

Supplementary Information Tables

The supplementary information tables listed in the *2014-15 Departmental Performance Report* are available on the ACOA website.

- Departmental Sustainable Development Strategy
- Details on Transfer Payment Programs of $5 Million or More
- Horizontal Initiatives
- Internal Audits and Evaluations
- Responses to Parliamentary Committees and External Audits
- User Fees

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations* publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

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P.O. Box 6051
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Canada

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Toll free (Canada and the United States): 1-800-561-7862
Facsimile: 506-851-7403
Secure Facsimile: 506-857-1301
TTY: 1-877-456-6500
Access to Information/Privacy: 506-851-2271

http://www.acoa-apeca.gc.ca/Eng/Pages/Home.aspx

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Includes operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Report on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*): A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Includes net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*): What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

plan (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

priorities (*priorité*): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*): A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

result (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target *(cible)*: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

TTY *(ATS)*: A teletype or teletypewriter (TTY) is a special device that lets people who are deaf, hard of hearing, or speech-impaired use the telephone to communicate by typing messages back and forth to one another instead of talking and listening. A TTY is required at both ends of the conversation in order to communicate.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

[i] *Atlantic Canada Opportunities Agency Act*, R.S.C., 1985, c. 41, 4th Supp.

[ii] "Type" definitions:

- New: newly committed to for fiscal year 2014-15
- Previously committed to: committed to one or two fiscal years earlier (i.e. 2012-13 or 2013-14)
- Ongoing: committed to at least three fiscal years earlier (i.e. 2011-12 or earlier)

[iii] Gardner Pinfold Consultants Inc. and the Acadian Tidal Energy Institute, *Value Proposition for Tidal Energy Development in Nova Scotia, Atlantic Canada and Canada*, April 2015, prepared for the Offshore Energy Research Association.

[iv] Statistics Canada, Gross domestic product (GDP) at basic prices, by NAICS, Provincial and Territorial (Table 379-0030). Data retrieved on May 12, 2015. Calculations by ACOA.

[v] Statistics Canada, Gross domestic product (GDP) at basic prices, by NAICS, Monthly (Table 379-0031). Data retrieved on May 12, 2015. Calculations by ACOA.

[vi] Statistics Canada, Gross domestic product (GDP) at basic prices, by NAICS, Provincial and Territorial (Table 379-0030). Data retrieved on May 12, 2015. Calculations by ACOA.

[vii] Statistics Canada, Gross domestic expenditures on research and development (Table 358-0001). Data retrieved on May 12, 2015. Calculations by ACOA.

[viii] Measuring the impact on gross domestic product in Atlantic Canada is a long-term, multi-dimensional undertaking. Thus, the Agency will report results every five years based on an analysis of data from internal systems, using econometric modelling from The Conference Board of Canada. This indicator will next be measured in 2018, covering the five-year period from 2013-14 to 2017-18.

[ix] Calculations by ACOA using simulations by The Conference Board of Canada, August 2013.

[x] Economic Analysis Division, Statistics Canada, May 2015.

[xi] Ibid.

[xii] Economic Analysis Division, Statistics Canada, May 2015.

[xiii] Ibid.

[xiv] Ibid.

[xv] ACOA, 2014-15 roll-up of business skills development (BSD) activities in Atlantic Canada, Spring 2015. (Survey description: a questionnaire is distributed to all participants in BSD activities, which is filled out on a voluntary basis. Out of the 10,510 questionnaires received, 9,167 participants responded "somewhat" or "very much" to the following survey question: "Were the skills acquired through this activity relevant to helping with the start-up or survival/growth of a business? Select one: not at all/somewhat/very much.")

[xvi] Ibid.

[xvii] Economic Analysis Division, Statistics Canada, March 2015.

[xviii] Community Business Development Corporations E-Reports April 2014 to March 2015.

[xix] Ibid.

[xx] Economic Analysis Division, Statistics Canada, March 2015.

[xxi] Ibid.

[xxii] Gardner Pinfold Consultants Inc. and the Acadian Tidal Energy Institute, op. cit.

[xxiii] Atlantic Research Group on Economics of Immigration, Aging and Diversity, *Research Symposium of the Atlantic Research Group on Economics of Immigration, Aging and Diversity*, October 23, 2014.

[xxiv] Statistics Canada, *Survey of Innovation and Business Strategy: Detailed information for 2012*, 2012.

[xxv] David Freshwater, Alvin Simms and Jamie Ward, *Local Labour Markets as a New Way of Organizing Policies for Stronger Regional Economic Development in Atlantic Canada*, The Harris Centre, Memorial University, January 2014..

[xxvi] Ibid.

[xxvii] Gardner Pinfold Consultants Inc. and the Acadian Tidal Energy Institute, op. cit.